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# The Problem of Unemployment in Germany.

BY  
DR. OTTO MOST.

[Reprinted from *The English Review*.]



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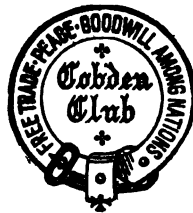
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# The Problem of Unemployment in Germany

By Dr. OTTO MOST.

[NOTE.—Dr. Otto Most, Director—since 1902—of the Statistical Bureau of the City of Düsseldorf (one of the first of the statistical offices of the Empire) and Chief of the Department for providing occupation for the unemployed in that municipality, is now regarded by German statisticians as perhaps the leading authority on the whole subject of unemployment in Germany. He is one of the official representatives of Germany at the Congress to be held in Paris this month for the consideration of remedies against unemployment.—THE EDITOR.]

UNEMPLOYMENT is to-day a burning question in all countries with a highly developed trade. The remarks made by the British Premier on the subject in December, 1908, when he (in effect) characterised as a shame and a scandal for the British Legislature and the Administration that it should have constantly to deal with the distress caused by unemployment, and never otherwise than by haphazard palliatives, applies to almost all the civilised countries of the world. This is manifest from the fact that all the leading nations are now preparing to send representatives to the International Congress on the subject, which is to be held in Paris this month. The complaints against the distress are no more general than those as to the difficulty of finding a remedy. As a matter of fact, nothing of a really effective character in that direction has yet been achieved in the way of legislation.

In England, the Liberal Government has undertaken the solution of this problem later than many other States,



but, on the other hand, it has laid down the basis of a large and harmonious programme covering the whole field. It seeks to remedy the evils occasioned by unemployment among the masses by direct and indirect, by repressive and preventive methods, all of which are regarded from a purely economic standpoint. While, as a foreigner, I do not propose to criticise the project of the British Government, I am very pleased to accept the invitation to lay before the British public a connected statement of the problem as it exists in Germany, all the more as I have been given to understand by numerous English friends who have visited me in Düsseldorf that information on the subject would be very welcome in England. The causes and character of unemployment in England and Germany are very similar, but the methods of dealing with them show considerable differences. In Germany, the home of X Municipal and State Socialism, the problem has thus far been left to the municipalities and to private initiative, while in England under the new project it is, in the main, being kept in the hands of the State.

## I

Unemployment is a problem which affects all classes, yet all forms of unemployment, however painful their effects may be for the individual, cannot be regarded, from an economic standpoint, as regrettable and calling for a remedy. On the contrary, in the labour market, as in all ↓ others, a certain excess of supply over demand must be constantly present if business is not to stagnate. A certain number of unemployed, a reserve of labour, is an absolutely indispensable condition of economic progress. At normal times this proportion, though naturally very different in the different branches, is on an average about 1 per cent. of the capable workers in summer, and 3 per cent. in winter. While this proportion sinks in periods

of flourishing trade, it increases in times of depression to such a point as to lead to a condition of distress among the working classes that might easily extend to the whole community. As in the fixing of rent a certain sum is always allowed for the risk of houses remaining empty for a time, so in the fixing of wages a certain excess is paid for probable unemployment, as is seen in the considerably higher wages paid to season workers, such as masons, etc., as compared to those whose work continues throughout the whole year. That the season workers, at least in Germany, have in most cases not yet learnt to lay by something for the regularly recurring unemployment from which they suffer is one of the evils that have yet to be dealt with by labour organisations in the way of social education. Thus, unemployment only becomes a problem that interests the whole community when it arises from the causes with which I shall deal later on, and exceeds the normal proportion; and when, consequently, it affects not only those who immediately suffer therefrom, but the entire community.

It is necessary to remember this in order to keep within due bounds certain excessive demands in the direction of social reform. It is impossible to deny, however, that an abnormal condition of excessive unemployment has prevailed during the last decade with constantly increasing frequency, particularly in highly developed industrial countries like England and Germany. It is this fact which has led politicians of all parties to take up the question of remedies for unemployment.

## II

Unemployment due to lack of work arising from economic causes is the one form of unemployment dealt with here. That arising from physical incapacity, from

moral incapacity, and from military service, which withdraws capable workers from the labour market, is excluded from consideration. The three latter categories of unemployment, although not forming part of the purely economic problem, are yet of importance owing to their effects upon the German labour market. The evils arising from unemployment through physical incapacity are mitigated through poor-relief and through the system of social insurance against illness and accident provided by the German Empire. In periods of economic depression there is a general tendency among semi-invalids and persons in chronic low health, who in good times are able to earn a living, to call upon these funds. Unemployment from moral causes includes those who will not work and strikers who temporarily refuse to work owing to differences with their employers. It may be fairly estimated on the basis of statistics published by some of the Federal States, such as Bavaria, that in Germany, in a thoroughly normal condition of the labour market, there is annually no less than a quarter of a million of condemnations for vagabondage, etc., under paragraphs 361 and 362 of the Criminal Code. Considerable as is the loss of national property occasioned by this refusal to work, it is far exceeded by that occasioned through strikes and lock-outs. Still greater, however, is the influence of military service on the existence and extent of unemployment. The German army is composed of about 120,000 professional soldiers—officers and non-commissioned officers—and 500,000 privates, that is to say, persons temporarily withdrawn from their civil employments. Of the latter number, over 200,000 come from the working classes. Thus the supply in the labour market is constantly reduced by this 200,000. If these soldiers, together with some 200,000 other possible workers detained in German prisons, were thrown on the labour market at the date of the census in December, 1895, the number of the unemployed would

be very nearly double, rising from  $3\frac{1}{2}$  per cent. of the entire working classes to over 6 per cent. ↑

### III

The tendency to error in the measures taken for dealing with the problem of unemployment will be all the less if the actual facts to be dealt with are fully established by trustworthy statistics. Consequently, the question of the value of unemployment statistics in general, and of those taken up to the present in particular, call for special attention, all the more as, in spite of the extraordinary wealth of publications, there has practically been thus far no really expert criticism on the subject. It is impossible to exaggerate the value of the statistics of unemployment, which constitutes the first condition for the development of a scientific view of the task of preventing, remedying, and mitigating that evil. A constant observation of unemployment would be of great assistance in an inquiry into the influence of crises, states of trade, and changes in the economic condition of a country. It would even help to form an opinion of the effects of particular economic measures upon the general welfare of the worker and upon the degree in which the working power of the nation was being employed. These statistics constitute an indispensable basis for the development of insurance against unemployment, which must be based, like all other forms of insurance, upon the experience collected by statistics, and must be subjected, as far as possible, to the rules of probability.

Finally, well-organised statistics of unemployment are equally indispensable as a basis for the direct intervention of the authorities, in the form of winter and other relief works, etc. If we lay down as a principle that the public authorities are only called upon to take direct action when exceptional evils exist of a kind that burden the whole

community, it necessarily follows that we must provide as trustworthy a standard as possible to show whether this preliminary condition is fulfilled or not.

Unfortunately, there are special difficulties in meeting the demands of statistical science in the collection of unemployment statistics. We must take these into consideration in order to secure a basis from which the reader will be able to judge for himself and to utilise the existing material and that to be collected hereafter, including that of unemployment in England.

The problem of limitation in unemployment statistics has never been successfully solved in any census, notwithstanding the large number of them that have been taken. Even the concept "worker" is difficult to define. A few illustrations will suffice to show the existing confusion. In the census taken by the Berlin Trades Union in 1900, the largest private undertaking of this kind, the inquiry made was simply for "persons out of employment." The consequence was that a large number of small shop-people, artisans working on their own account, and innkeepers identified themselves with the other unemployed and were included in the statistics, thus increasing their numbers in an unjustifiable way. In like manner the imperial census of 1895 included all persons out of employment "who did not belong to the groups of independent persons and persons drawing salaries." The numerous municipal censuses usually demand among their questions more precise particulars of the former employment, but the selection of the persons to whom the questions are presented is left to the decision of the collectors, who have no special statistical knowledge. In the regular unemployment statistics of the city of Cologne, for instance, the census-collectors are only shown the route which they are to take for the collection and for the discovery of the workers, including shop assistants, etc., who are involuntarily out of employment.

But even were all these difficulties overcome, another

still remains, namely, the impossibility of excluding from the total those who are unemployed for other than economic reasons. Those in prison and in military service are naturally excluded at once; but difficulties arise even in dealing with those who are unemployed for physical reasons. It is true that one can ask, "Why are you unemployed?" The answer will often be, "Because I am incapable of working," or "Because I am ill." But who can guarantee the accuracy of these replies? Indeed, how is it possible to be sure that those who state they are out of work (a statement made, perhaps, on political grounds) are really unemployed? In Germany, the country of working-class insurance, where every worker who is in employment must have an insurance card, where every one suffering from illness must have a certificate from the doctor of his sick club, and where every person incapable of work draws an allowance, such a control may be exercised, although with great difficulty. But what is to be done in a country where all these arrangements do not exist? Finally, it is in all countries quite impossible to establish statistically the number of those who are unemployed owing to their objection to work, as here we have to deal with purely psychological considerations. This fact constitutes a natural defect of all unemployment statistics, impossible to remedy, and which is particularly calculated to serve as a warning against any over-estimate of the results secured. It has, it is true, been contended that the proportion of those unemployed who really do not want to work remains in the main the same, as compared to the total of the unemployed, and therefore does not influence a general comparison, which is the principal point in view. As a matter of fact, however, this is by no means the case, as the number of those who object to work depends partly upon very variable conditions, which have often nothing whatever to do with the economic situation.

\*P. U. G.

↓ Whether the demand of completeness, avoidance of double counting, and a suitable system of comparison are fulfilled depends upon one point, namely, whether the statistics are taken as part of a general census comprising the employed members of the same section of the community, or as a special census of the unemployed alone.

[In my opinion, an unemployment census, when it avoids all the difficulties that I have indicated, can only show comparatively reliable results when it includes a census of all the persons in employment belonging to the same category.] It is to-day accepted as a matter of course in making out the statistics of population, that in order to establish the number of the unmarried, not only that class, but also the married and the widowed, must be counted for the purposes of control. Thus, a census of the unemployed alone, whatever district and whatever branch it may deal with, lacks the sole method of control that will prevent the omission of numerous persons and the double counting of others.

↑ There is another, and not less important, reason why the basis of an unemployment statistic should be a general census, that is to say, one that includes every member of the population, or at least that covers all the persons of the particular section of the population for which the census is taken. The object of the census is to establish whether, and in how far, the condition of the labour market is in a normal state. It is impossible to form an opinion upon that point merely on the basis of absolute figures of those out of employment. This can only be acquired when the latter are compared with the total of the working classes, and considered in proportion to the latter. For the practical task of providing a remedy for unemployment, as well as for forming a scientific judgment of the situation, the point is to establish whether the proportion between unemployed and employed is normal, and in what direction it is moving.

We now come to the question as to what has thus far

been achieved in Germany in this department. As a warning to all those who are too urgent in their demands for such censuses, without a clear idea of the difficulties in their way, the answer is: a great deal so far as quantity is concerned, very little indeed from the point of view of quality. The statistics taken upon a regular census basis have thus far been very few in number in Germany. In 1895 there was one for the whole German Empire, a general occupation (professional and business) census being taken in the summer, while the regular census of the whole population followed in the winter. In both cases the census papers contained questions as to unemployment, its duration, and illness or other causes of incapacity for work. I have already pointed out, however, that the concept "worker" was on this occasion defectively defined. The census, furthermore, suffered from the fact that the length of the period of unemployment was not clearly established. At the same time these two censuses have very considerable importance, as the first account of unemployment throughout Germany on two separate days. Unfortunately, up to the present, after a lapse of fifteen years, they furnish the sole measure for the extent and character of unemployment in the whole Empire. The different Federal States, with the sole exception of the small Hansa State of Bremen, which combined statistics of unemployment with its Occupation Census in 1907, has done nothing whatever in this direction. On the other hand, numerous cities have tried in various ways, some with a certain regularity and others occasionally, to secure such information. In the winter of 1908-9 about sixty German municipalities undertook such censuses. These may be classified in three groups according as they were taken: (1) by the so-called indirect method; (2) by the system of voluntary notification; or (3) the system of counting from house to house. The so-called indirect method utilises the annual official particulars secured for the pur-



pose of taxation. The workers who, in reply to the questions put to him, does not give the name of his employer, is asked personally for further particulars. The advantages of this system, first introduced in Dresden in 1902, consists in those of a general census already mentioned, in the reliability of the material, and finally in the possibility of a completely regular repetition upon the same basis. The disadvantages, on the other hand, are the great length of time that elapses between the beginning and the completion of the census, and the difficulty of personally questioning each of the unemployed, many of whom may have removed or died, and, finally, in the unfavourable time of the year, October or November, which fails to give the maximum or any other typical degree of unemployment. The two other methods departing from the census basis, and dealing solely with the unemployed themselves, are easier and cheaper, and constitute the great majority. The following facts will enable the reader to form his own opinion of their practical and scientific value.

The system of voluntary notification consisted originally in providing in different parts of the city boxes for the collection of forms which had been previously distributed. In the evening the boxes were emptied, the number of forms filled up being reckoned as equivalent to the number of unemployed. The defects of this extraordinary system, which is still employed in large cities, is obvious. Whoever fails to put a form in the box, whether because he has received none or because he feels no interest in the census, is not counted. On the other hand, persons not out of employment who may choose to utilise the forms have every opportunity of doing so. Furthermore, there is a complete absence of all possibility of correcting false statements. The existence of this possibility at least constitutes the advantage of the system recently introduced in Greater Berlin, in which the unemployed have to report themselves in special census bureaux,

which are opened after adequate notice on certain days. In the latter system, however, the principal disadvantage still exists, namely, that there is no obligation to give these particulars, the participation in the census depending exclusively on the interest in it of the unemployed, that is to say, to a great extent upon the agitation that has previously been carried on among them. Thus the census taken in Greater Berlin in November, 1908, notwithstanding the fact that it was prepared with the greatest care, was a complete failure, inasmuch as the Social-Democratic trade unions carried on an agitation against it. No more than 40,000 reported themselves, while the census made six weeks later by the trade unions gave over 100,000 unemployed. The second official census in January, 1909, was such a complete failure that it was not thought worth while to work up the results.

There is to-day, on the other hand, a disposition in many quarters to regard the system of counting from house to house as, in the words of the Imperial Statistical Bureau, "theoretically least subject to the risk of error." It cannot be denied that the census taken from house to house is an improvement upon the system of notification. The Imperial Statistical Bureau, however, is perfectly right when it points out that this advantage over the other methods can only continue to exist when those entrusted with the task of collecting the information meet all the necessary requirements in the matter of capacity, energy, and, above all, impartiality. Now experience has shown that the unemployed have only the necessary confidence in census-collectors when the latter belong to their own class, that is to say, when they are drawn from the working-class organisations. The upshot of all this is that in the system of notification everything depends upon the energy and goodwill of the unemployed themselves, and in the house-to-house system upon the energy and goodwill of the census-collectors, that is to say, on the trade union organi-

sations. The decisive influence exercised by these conditions upon the quality of the census, and its result, is shown clearly in the typical example of Charlottenburg in 1905. Three censuses of the unemployed were organised in that suburb of Berlin with the assistance of the trade unions, and by the distribution of question-cards from house to house. The first census of February 26, 1905, showed 841 unemployed; that of July 23, 278; and that of November 25, 123! Referring to this astonishing decline in the number of the unemployed from summer to autumn, the Charlottenburg monthly Statistical Report says: "The very small number of the unemployed shown by this census is doubtless not to be attributed exclusively to the favourable economic situation, but to a considerable extent to the fact that the trade unions who have undertaken the distribution and collection of the question-cards have this time shown less energy than formerly, having been to a great extent occupied by the municipal elections in November." *Sapienti sat!* Every year a somewhat similar phenomenon is to be observed at Cologne, where the full number of the female unemployed is never even approximately reported—the working women having for the trades union census-takers less interest than the male unemployed, who furnish more satisfactory objects for their agitation. Censuses, the success of which depends upon such personal considerations, and the original material of which cannot be adequately checked by the central officers on whose authority the results must be published, the reliability of which varies for reasons entirely beyond the control and judgment of the census-collectors themselves, cannot, of course, be regarded as trustworthy records of facts.

Even if the organisations for taking the census were to work in the best possible way, there would still remain the serious defects of the census itself for the immediate and practical utilisation of the results. During the autumn and winter months the weather causes great changes from

day to day in the number of the unemployed, so great indeed, that the results of an unemployment census is often no longer a true picture of the situation by the time that the material is counted. This leads to conscious or unconscious abuse in one direction or another.

In this connection it will be of interest to mention the answers as to the result of their experience which I received at the end of 1908 to a question addressed to six municipal administrations who, at that time, had undertaken a census of the unemployed. One was: "The Municipal Administration is guided solely by the returns of the Labour Exchanges" (notwithstanding the fact that they had taken an unemployed census); others were: "The unemployment census has not shown any important new results"; "The census can make no claim to complete reliability"; "They do not appear to have produced any result that can be utilised in practice." Only two out of the six of the municipalities expressed a somewhat more favourable opinion.

Thus in Germany the unemployment statistics are tolerably bad, and in other civilised States they are no better. Progress can only be attained when two demands are fulfilled, which may be fairly said to call for international application. First, in order to secure a general basis for the knowledge of unemployment and for the insurance against it, each census of occupations and general census must be at the same time a census of unemployment. Second, in order to fulfil the practical object of immediate provision for the unemployed, it is necessary to substitute for the dubious occasional censuses already described a careful and constant observation of the labour market, that is to say, first of all the establishment and development of Labour Exchange statistics. To give adequate effect to the requirements of these statistics will be one of the most important, and at the same time, most difficult tasks of the new Labour Exchanges in England.

## IV

Although, as will be seen, the results of the unemployed statistics up to the present can only be used with caution, we are, nevertheless, obliged to have recourse to them unless we renounce altogether the attempt (based, though it be, merely on a series of instantaneous pictures) to realise the extent of unemployment in Germany. As already stated, the only unemployment statistics for the whole German Empire are those taken in 1895. It is certain that in the fifteen years that have elapsed since then the economic position of Germany has undergone numerous and important changes. These changes, however, are decidedly not of a nature to lessen the proportion of unemployment. Consequently, apart from the natural influence of a growing population, not only the absolute but also the relative figures in 1895 must be regarded as the lowest, and, indeed, as the lowest in a year of fairly good trade. Keeping these considerations in mind, it is possible to utilise the results given by those censuses, which were as follows :

	<i>June 18,</i> 1895	<i>Dec. 2,</i> 1895
Total number of unemployed . . . . .	299,352	771,005
Of this number, unemployed owing to illness. . . . .	120,348	217,365
Unemployed on other grounds . . . . .	179,004	553,640

As these figures do not include soldiers and prisoners, the third row of figures shows those who were unemployed on economic and moral grounds. The fact that it is practically impossible to distinguish those unemployed purely on economic grounds has already been shown. Consequently, in the following remarks those unemployed of both kinds who are capable of work are taken together and referred to simply as the "unemployed." According to these statistics there were, therefore, in Germany in the summer of 1895, in round numbers, one-fifth of a

million, and in the winter of that year considerably more than half a million unemployed. If to the latter figure were added the families of the unemployed, one would be entitled to say that on December 2, 1895, about one and a half million persons suffered directly from unemployment.

In proportion to the total number of the working class, the unemployed amounted to 1.11 per cent. in summer and 3.43 per cent. in winter. In both cases the proportion of male workers unemployed was 1.26 and 3.79 per cent. higher than among the females unemployed (0.83 and 2.74 per cent.). The absolute numbers of the unemployed in the winter of 1895 were 400,017 males and 153,623 females.

The unemployment in winter was more than three times as great as in summer, apart from the fact that it is in winter easier to include in the statistics those tramps who in summer sleep in the open air, and thus escape the, to them, disagreeable necessity of being counted. This difference is explained by the circumstance that in winter many branches of industry, such as agriculture and seasonal trades, come to a standstill. Thus we find that of the physically capable unemployed the following numbers were contributed by :

	<i>June, 1895</i>	<i>Dec., 1895</i>
Agriculture and gardening . . . . .	18,442	158,340
The stone, clay, and brick-making industry . . . . .	3,058	20,615
The building trade . . . . .	19,408	145,121
Transport, including shipping and the conduct of rafts . . . . .	4,163	11,603
The lodging-house and refreshment industry, including baths and summer resorts . . . . .	5,948	11,838

No fewer than 347,517 of the unemployed in winter belong to these five sections of the working population, that is to say, nearly two-thirds of the total number and

296,498 more than in summer. This accounts for over three-fourths (79 per cent.) of the difference of 374,636 which exists between the total of the physically capable unemployed in summer and winter throughout the Empire. Setting agriculture aside, the total of the unemployed in winter in industry, trade, and transport, about two-fifths come from the four remaining categories of season-workers just mentioned. The establishment of this decisive influence of the season trades on unemployment in winter is all the more important as the unemployment of the workers engaged in those trades is nothing extraordinary, but on the contrary a normal phenomenon. The remedy should be found in correspondingly higher wages during the working season.

The composition of the total of the unemployed and the degree in which the different occupations are represented, as well as different variations according to the time of the year, appear very clearly in Table A (p. 20).

The details of this survey deserve careful study. There is one point to which attention should be called, namely, that here, too, the majority of the unemployed in winter belong to the two groups of agriculture (No. 1) and the building trade (No. 15). Both furnish, out of 479,091 unemployed in agriculture, industry, trade, and transport, 303,461, that is to say, 63.3 per cent. of the total, while the remaining twenty groups (2-14, 16-22) make up between them only 36.7 per cent. In these two groups also, the difference between the unemployment in summer and winter is the greatest; as will be seen from the table, for every 100 unemployed in agriculture in June there were 858.58 in December, and in the building trade for every 100 unemployed in June there were 747.74 in December. On the other hand, the large industries of Germany, such as the mining, metal, machine, tool, chemical and textile industries showed the lowest percentage of unemployed, both in summer and winter. The continuity of employ-

ment is rendered possible in these industries by their business organisation, and appears to be particularly desired on economic grounds. With the exception of the branches already mentioned, the contrary is the case in all occupations in which unskilled labour preponderates. The condition of the typical occupations employing unskilled labour is shown in Table B (p. 21).

In the latter case, therefore, we find the proportion of unemployment, even in times of fairly good trade, more than one-fifth of the total number. What must it be in periods of depression? In this group, as also under the general heading "Building trade," the navvies furnish a large contingent, the exact number of which it is impossible to ascertain.\*

As already set forth in the third section of this article, the only new material is that furnished by a number of large towns. If we overlook the defects of this material, we find that the winter which shows the greatest degree of unemployment was that of 1908-9.

The foregoing statistics are here reproduced (Table C,

\* The fact that the unskilled labourers form the majority among the unemployed is manifest from the following table, showing the occupations of those who applied for work on the Relief Works at Düsseldorf, a town of highly developed industry, in four winters :

	1901-2.		1902-3.		1907-8.		1908-9.	
	Total No.	Percentage.	Total No.	Percentage.	Total No.	Percentage.	Total No.	Percentage.
Unskilled labourers	1312	75.0	818	77.1	1426	62.7	1820	62.9
Metal-workers	194	11.1	102	9.6	173	7.7	319	11.0
Carpenters	13	0.7	28	2.6	60	2.6	85	2.9
Masons' assistants	131	7.5	68	6.4	468	20.6	470	16.2
Other skilled labourers	57	3.3	45	4.8	135	5.9	191	6.6
All skilled labourers	395	22.6	243	22.9	836	36.8	1065	36.7
Shopmen, clerks, etc.	43	2.4	—	—	11	0.5	12	0.4
Total	1750	100	1061	100	2273	100	2897	100



TABLE A

	Absolute numbers unemployed		Percentage of the unemployed compared to the total number of the workers		For every 100 unemployed in June there were in Dec.
	June	Dec.	June	Dec.	Dec.
	1895	1895	1895	1895	1895
(a) <i>Agriculture and forestry</i>	19,204	162,472	0.33	2.81	846.03
Of these : (1) <i>Agriculture</i>	18,442	158,340	0.33	2.82	858.58
(2) <i>Forestry and fishing</i>	762	4,132	0.65	3.54	542.26
(b) <i>Mining and industry</i>	97,782	274,625	1.53	4.18	280.85
(3) <i>Mining and metal works</i>	2,622	3,422	0.46	0.61	130.51
(4) <i>Stone and clay industry</i>	3,058	20,615	6.65	4.40	674.13
(5) <i>Metal industry</i>	12,719	16,098	1.77	2.24	126.57
(6) <i>Machine industry</i>	4,627	6,273	1.52	2.06	135.57
(7) <i>Chemical industry</i>	900	1,056	0.97	1.14	117.33
(8) <i>Secondary products of forestry</i>	403	494	1.06	1.30	112.58
(9) <i>Textile industry</i>	6,537	7,723	0.74	0.88	118.14
(10) <i>Paper industry</i>	1,775	1,773	1.46	1.46	99.89
(11) <i>Leather-using industries</i>	2,855	5,322	2.30	4.29	186.81
(12) <i>Timber-using industries</i>	8,068	11,033	1.77	2.42	136.75
(13) <i>Provision and liquor trades</i>	14,304	18,946	2.18	2.88	132.45
(14) <i>Clothing and cleaning industries</i>	16,466	27,982	2.12	3.61	169.94
(15) <i>Building trade</i>	19,408	145,121	1.68	12.60	774.74
(16) <i>Industry of engraving and reproductions</i>	2,847	2,864	2.67	2.69	100.60
(17) <i>Artists and applied art works</i>	466	712	2.48	3.79	152.79
(18) <i>Persons not otherwise described</i>	727	5,191	2.55	18.19	714.03
(c) <i>Trade and transport</i>	26,180	41,994	1.75	2.78	160.40
Of these : (19) <i>Trade</i>	15,866	18,326	2.53	2.92	115.50
(20) <i>Insurance</i>	203	227	1.11	1.25	111.82
(21) <i>Transport</i>	4,163	11,603	9.78	2.18	278.72
(22) <i>Lodgings and refreshments</i>	5,948	11,838	1.88	2.73	119.02
(d) <i>Household service, day labour of various kinds</i>	30,907	68,423	1.74	3.82	221.38
(e) <i>Public service and the professions</i>	4,931	6,126	0.76	0.93	124.23
<b>Totals</b>	<b>179,004</b>	<b>553,640</b>	<b>1.11</b>	<b>3.40</b>	<b>309.29</b>

TABLE B

	Total of unemployed		Per cent. of unemployed as compared to the total number of workers	
	June 1895	Dec. 1895	June 1895	Dec. 1895
Factory hands, workmen, and assistants not otherwise described . . . .	727	5,191	2.55	18.19
Day labour of different kinds	11,797	41,849	5.87	20.83
Total . . . .	12,524	47,040	8.42	39.02

TABLE C

Town	Date of census	Number of unemployed after deducting those incapable of work from illness or other causes	
		Total number	Percentage of the working classes
Berlin . . . .	18.II.1908	28,006	5.1
Bochum . . . .	31.3.1909	420	1.4
Brunswick . . . .	20.I.1909	575	1.8
Charlottenburg . . . .	18.II.1908	1,948	2.5
Chemnitz . . . .	15.I.1909	1,862	2.4
Cologne . . . .	24.I.1909	3,478	3.4
Dortmund . . . .	28.2.1909	1,078	2.1
Dresden . . . .	28.II.1908	5,004	4.2
Elberfeld . . . .	14.2.1908	703	1.7
Halle-on-the-Saal . . . .	15.10.1908	2,917	7.8
Kiel . . . .	13.12.1908	1,960	5.3
Magdeburg . . . .	29.II.1908	2,208	3.9
Mannheim . . . .	1.2.1909	1,511	3.4
Nuremberg . . . .	10.12.1908	2,513	2.7
Rixdorf . . . .	18.II.1908	3,681	7.2
Schoeneberg . . . .	14.2.1909	2,659	10.2
Stuttgart . . . .	17.II.1908	1,001	1.6
Wiesbaden . . . .	3.II.1908	596	2.8

p. 21), because they help indirectly to give an approximately just idea of the extent of unemployment in the German Empire, although all the figures upon which they are based may not be invariably accurate. The eighteen towns above mentioned have together a total of 62,120 unemployed, which is equal to an average of 4.1 per cent. of the working classes resident in them. It is notorious, however, that this figure is very considerably less than the reality, and according to careful estimates must be increased by about one-half, so that the average of these towns would in reality be about 6 per cent.

If these figures are regarded as typical for the large towns of Germany, and if it be further assumed that unemployment in the large cities is to-day greater in about the same proportion as it was fifteen years ago, than throughout the rest of the country—two assumptions against which no valid objection can be raised—the following calculation may be made: as unemployment in the towns with a population of over 100,000 persons was, in the winter of 1895, nearly exactly one-half as great again as in the rest of the country (4.9 per cent. of the working classes, as against 3.3 per cent.), and furthermore, according to the Census of Occupations in 1907, 3,000,000 workers lived in the smaller towns and the country, as against 15,000,000 in the large towns, the number of the physically capable unemployed throughout the whole German Empire in the autumn of 1908 was 780,000, or, including the members of their families, the total number of those who suffered directly from unemployment may be assumed to be 2,500,000, that is, about 4 per cent. of the total population—a very considerable average.

## V

*IMP* The growing danger of unemployment in Germany, as elsewhere, is in the main due to the process of industrialis-

ation, which has become more or less manifest in all civilised States within the last few decades. It is true that agriculture as a seasonal trade suffers from unemployment in the winter, but this is far less than in industry. Moreover, for several months in the summer the agricultural labourer has practically no experience of unemployment. According to the table already given in Section IV. of this article, the proportion of unemployed in the summer of 1895 was 0.33 per cent. in agriculture, and in winter 2.81 per cent.; while in mining and industry the proportion for the summer was 1.53 per cent., and in winter 4.18. The manner in which the position of agriculture in the total economic structure of Germany is constantly declining in comparison with trade and industry is shown by the fact that of every 100 inhabitants of the German Empire 42.51 belonged to the agricultural classes in 1882; in 1895 this proportion had fallen to 35.24, and in 1907 to 28.65. Thus the industrialisation of the Empire and the increasing danger of unemployment go hand in hand. This sacrifice is made by Germany, as well as by England and other leading nations, on the altar of economic development. Is it desirable, on account of that sacrifice, to check this tendency? Does this disadvantage justify the advocates of Protection on both sides of the North Sea in opposing the free highway required for universal commerce by a tariff wall protecting national production? It is true that a people which shuts itself off economically from the outer world suffers only from its own evils. It remains more or less unaffected by the crises that cross the ocean. It leads a more easy-going, but at the same time a more paltry and hand-to-mouth existence. Notwithstanding the fact that to-day unemployment is more frequent and extensive than in former times, yet the level of civilisation of the German working man has steadily risen, while even Social Democratic writers admit that his standard of living is visibly improving. Indeed, the income tax returns and

the deposits in the savings banks bear witness to economic progress precisely of that section of the working classes engaged in industry. The risk of unemployment is thus more than compensated for by the possibility of higher wages. In the long run the result will not depend upon the temporary damage done by unemployment to individuals, but whether this injury is permanently greater than the advantage which arises from the industrialisation of the country, and from the share which it takes in the trade and commerce of the world. It is, of course, now out of the question to think of shutting off Germany from her participation in that trade and commerce. It is only necessary to compare the Germany and the Germans of fifty years ago with those of to-day to show that a change in that direction is inconceivable. Therefore the remedy for the temporary evils of industrialisation in Germany is to be sought in some other direction than in hampering its industrial and commercial progress.

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